

## **D30N00 – Maryland Food Center Authority (MFCA)**

### **Analysis in Brief**

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#### **Issues**

1. Employee 401(k) Match - The Maryland Food Center Authority (MFCA) should terminate the \$500 Employee 401(k) match.

The Maryland Food Center Authority (MFCA) has included as part of its FY2005 Budget a \$500 Employee 401(k) match in the amount of \$10,000. In the FY2004 Budget the MFCA also had included a \$500 Employee 401(k). The MFCA believes that this is a program that only requires moderate funding, while delivering a significant benefit to its employees by encouraging them to invest in their retirement.

2. Rock Hall Seafood Processing Plant - The MFCA is to advise the budget committees on the status of the waiver and what the nonprofit is proposing for the facility.

Status of Waiver – The Chester Bridge Foundation, a nonprofit organization will establish a marine trade training school. There is a need in the Chesapeake Bay region for trained technicians to service marine engines and support the fishing industry, watermen, and other activities on the Bay.

Due to the condition of the Chesapeake Bay and its tributaries, the use of the Rock Hall Facility for seafood processing and related services is non-existent. The United States Economic Development Administration (EDA) regulations allow that EDA-improved property no longer needed for its original purpose may be used for other purposes with EDA approval. The MFCA reuse proposal seems consistent with the general project purpose of assisting fishing and marine industries in Kent County, and the specific purpose will be expanded to include a training facility to support these industries. In accordance with the EDA mortgage on the project that will expire on August 10, 2005, the lease agreement with the Foundation will require prior written EDA approval. The lease will include a fair market lease rate, be consistent with nondiscrimination, non-relocation, and other EDA requirements, and provide adequate employment and economic benefit to the project area. The lease agreement will also be subordinate to the existing EDA mortgage.

The interested nonprofit organization is the Chesapeake Marine Trades Career School, an initiative of the Chester Bridge Foundation, with a Mission Statement as follows:

The mission of Chesapeake Marine Trades Career School is to make people's lives better and to introduce new options to minorities and women; by creating good paying job opportunities through the use of training programs in the marine trades that will help to preserve the region's marine heritage, and survival of struggling watermen, and the growing and economically important recreational boating industry of the Chesapeake Bay.

The Chester Bridge Foundation, Inc. (CBFI) is a non-profit community development corporation comprised of citizens, business owners, and community leaders of Kent County, Maryland. We exist for,

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and are committed to, promoting and improving the economic health and quality of life in Kent County while attracting opportunities for its citizens and the entire region. We accomplish our goals through the united leadership of this diverse community, the support of state and national leaders and rigorous public involvement.

Partnerships: Chester Bridge Foundation  
Marine Trades Association of MD  
American Boat and Yacht Council  
American Boat Builders & Repairers Association  
MD Department of Business & Economic Development  
Kent County Department of Economic Development  
Greater Rock Hall Business Association  
MD Workforce Investment Boards  
MFCA

This project has received positive support from local government, as shown in some of the attached letters, as well as the MFCA's Board of Directors.

Plans to lease the Rock Hall Seafood Processing Facility to CBFI for this marine trade center have been discussed, but funding must be in place before CBFI is able to sign a lease. Additionally, the proposed lease must be approved by the Maryland Board of Public Works as well as the Federal EDA.